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LAW OFFICES

TRUITT, GUSHEE & FLETCHER

ROBERT G. PRUITT, JR.  
OLIVER W. GUSHEE, JR.  
F. ALAN FLETCHER  
THOMAS W. BACHTELL  
A. JOHN DAVIS, III  
FREDERICK M. MACDONALD  
STEVEN PAUL ROWE

SUITE 1850 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111

(801) 531-8446

TELECOPIER (801) 531-8466

OF COUNSEL  
BRENT A. BOHMAN

November 24, 1989

State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Attention: Holland Shepperd,  
Reclamation Specialist/  
Permit Lead

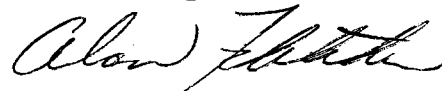
RE: Nuclear Fuel Services,  
Inc./Frank M and Tony M  
Mine Sites

Dear Holland:

Thank you for your letter of November 14, 1989. I have sent the Notice of Intention to Commence Small Mining Operations to my client for completion and execution as to the Frank M Mine. Upon its return, I will submit it to you with a request that the status be changed from a Large Mine to a Small Mine.

As you noted, the reclamation surety can then be reduced to \$148,000 and it will apply to the Tony M Mine only. The rollover date for the current Certificate of Deposit is December 4, 1989. Please do not roll it over on that date, however, as we would like to reduce the amount to \$148,000 per your recalculation. I will call you on Monday, December 4th and make arrangements with you to do that.

Yours truly,



F. Alan Fletcher

FAF/lh

cc: Paul F. Schutt, Esq.  
Dr. Douglas H. Underhill  
1235.01